

## **KENTUCKY HEALTH BENEFIT EXCHANGE ADVISORY BOARD**

### **Small Employer Health Options Program (SHOP) Subcommittee**

#### **Meeting Minutes**

**September 10, 2013**

#### **Call to Order and Roll Call**

The SHOP Subcommittee held its eleventh meeting on Tuesday, September 10, 2013, in the Large Conference Room at the Office of the Kentucky Health Benefit Exchange. Bill Nold, Deputy Executive Director, Office of the Kentucky Health Benefit Exchange, on behalf of Jeffrey Bringardner, Chair, called the meeting to order at 1:30 p.m. and the Secretary called the roll.

Subcommittee Members Present: Jeffrey Bringardner, Chair (by phone); Wayne Barber, Dr. Richard Broeg (by phone), Paul Brophy (by phone), Carl Felix, Shelley Gast (by phone), Connie Hauser (by phone), Harry Hayes, Doug Metzger (by phone), Jack Tillman, and Bob Weiss.

Staff Present: Reina Diaz-Dempsey, Miriam Fordham, Wanda Fowler, Kris Hayslett, William Nold, Brenda Parker, Vanessa Petrey, Sherilyn Redmon, Melea Rivera, and Chandra Venettozzi.

#### **Approval of Minutes**

A motion was made to accept the minutes of June 13, 2013 with correction that the meeting scheduled for August 15, 2013, was moved to September 10, 2013. The motion to accept the minutes as amended was seconded and approved by voice vote.

#### **Update on the Exchange**

Bill Nold, Deputy Executive Director, Office of the Kentucky Health Benefit Exchange (KHBE) updated the subcommittee on the Exchange activities. The Exchange had an Operational Readiness Review August 21 through August 23, 2013. By all indications, the review was successful, and the Exchange will be operational on October 1, 2013, and able to enroll individuals in health plans. The Exchange received a letter from the Centers for Medicare and Medicaid Services (CMS) indicating that there are a couple of system functions yet to be demonstrated, including end-to-end testing. The Exchange is actively testing and will be finalizing the testing with CMS later this month. Chris Clark, Project Manager, KHBE explained that there are two final authorities needed for clearance prior to going live on October 1, 2013 - authority to connect and authority to operate. Mr. Clark expects no obstacles to receiving these final authorities from CMS.

Mr. Clark also briefed the Subcommittee on the system development phases. The final deliverable will be June 2014. The final phase will include a mobile application for cell phones.

Mr. Nold briefed the Subcommittee on the system capabilities that will not be functional on October 1, 2013, and the workarounds, where feasible, that will be in place. Employers and employees will not be able to purchase dental plans through SHOP. However, employees will be

able to purchase dental plans through the individual market on or off the Exchange. The goal is to have this functionality by March 2014 and dental plans will be available on the SHOP.

In addition, the current system does not have the capability to allow employers to choose a reference plan to base its premium contributions. A decision has not been made for this functionality but the Exchange is looking at March, 2014. The current system will not allow an employer to select less than a 50 percent contribution for employee premiums.

Anthem, the Kentucky Health Cooperative, and Humana have filed plans for the individual market. Anthem, the Kentucky Health Cooperative, Bluegrass Family Health, and United Health Care have filed plans for the group market. These plans have not been certified by the Exchange, but certification will be completed by October 1, 2013. There will also be some Multi-State Plans offered on the Exchange.

Members discussed the Department of Labor requirement for employers to inform their employees of the Exchange. The KHBE has posted a sample notice on its website at [healthbenefitexchange.ky.gov](http://healthbenefitexchange.ky.gov) for employers to use.

Mr. Nold reiterated that the Exchange will be operational on October 1, 2013. Kentucky was the first state to have its Contact Center operational with its launch on August 15, 2013. The phone number for the Contact Center is 1-855-4kynect (459-6328). A separate line is available for support to professionals (1-855-326-4650).

Individuals and employers can apply via paper, online through [kynect.ky.gov](http://kynect.ky.gov), agents or kynectors, in person at the local Department for Community Based Services beginning December 16, 2013, or by phone via the Contact Center. Agents and kynectors will be trained and certified by the Exchange to assist individuals with application and enrollment.

### **SHOP/Agent System Functionality Demonstration**

A representative from Deloitte, Inc. demonstrated the SHOP/Agent system functionality and answered questions from the Subcommittee members. Through the Employer portal, employers will be able to select plans to offer their employees and designate an agent or kynector to assist employees with plan selection and enrollment.

### **Other Business**

Mr. Nold informed the members of new guidance from the Internal Revenue Service regarding tax credits for employers who participate for less than a full year on the Exchange. Based on employer circumstances, the employer may qualify for a full year tax credits based on the employer's plan year.

The next meeting of the subcommittee was scheduled for Thursday, November 21, 2013, at 1:30 p.m.

### **Adjournment**

The meeting was adjourned at 3:05 p.m.